



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

5000 OVERLOOK AVENUE, S. W., WASHINGTON, D. C. 20032

OFFICE OF THE GENERAL MANAGER

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May 22, 2007

Monica Harvey
State Air Pollution Control Board
Virginia Department of Environmental Quality
629 East Main Street
Richmond, VA 23219

RE: Comments on Draft Consent Orders and Draft Operation Permits for
Mirant Potomac River Generating Station

Dear Ms. Harvey:

As the General Manager of the District of Columbia Water and Sewer Authority (WASA), I am providing these comments regarding the above referenced matter. It has come to my attention that the State Air Pollution Control Board of the Virginia Department of Environmental Quality is considering various options concerning the future operation of the Potomac River Generating Station (PRGS) in Alexandria, Virginia. As you know, the operation of PRGS has a direct impact on WASA's Blue Plains Advanced Wastewater Treatment Plant (Blue Plains) that services the District of Columbia (District) as well as counties in the region, including areas in Northern Virginia.

We understand that the plant currently operates under an administrative compliance order (ACO) between Mirant and the United States Environmental Protection Agency (EPA) that will expire on June 1, 2007. It is also our understanding that there is a standing order from the federal Department of Energy (DOE) that directs Mirant to operate under emergency conditions through July 1, 2007. Therefore we ask that you consider and approve an option that allows for the plant to run in a manner that ensures that both environmental and reliability goals are met.

I have read the comments provided by Pepco and PJM, and it is my conclusion that reliability will be an issue this summer when transmission line work is being conducted by Pepco.

WASA wishes to register its deep concern over the possible actions of the Air Board that might restrict operations at the plant to a level that would threaten the continued operation of the PRGS. Our understanding is that three proposed operating permits and one proposed consent order offered by the City of Alexandria could restrict PRGS from meeting the requirements under the DOE order that would ensure reliable electric service to Blue Plains. In contrast, the consent order agreed to by Virginia's own Department of Environmental Quality and Mirant would appear to allow the plant to run in compliance with environmental requirements while ensuring reliable service to Blue Plains. However, we agree with Pepco's position in its comments that any final State order includes the following statement, which is taken verbatim from the EPA ACO: "Nothing herein shall diminish Mirant's obligation to produce the amount of power needed to meet the load demand in the central D.C. area, as specified by PJM, and in accordance with the DOE's order."

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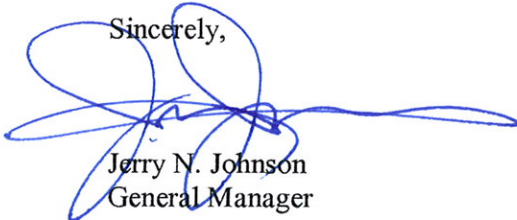
Unless PRGS has the authority to operate at full level, as directed by PJM, when necessary, our treatment plant will be at risk of being without electricity for extended periods. This is especially true in the summer months when demand is at its highest.

We understand and appreciate the important role that the Air Board plays in monitoring air quality and maintaining high standards for emissions. We believe that the Potomac River Plant should be required to meet all applicable state and federal standards in terms of emissions and general operations.

But we must insist that the operation of Blue Plains not be placed at risk. It is unacceptable to impose restrictions on the operation of a power generation facility that is essential to providing reliable electric service to Blue Plains.

We ask that you and the other members of the Air Board understand that the decisions that you will make on this matter have the potential to impact the entire region that Blue Plains serves. We believe that the board should consider a compromise along the lines of what has been recommended by DEQ staff provided that the operating conditions can demonstrate compliance with the National Ambient Air Quality Standards (NAQQS) as set forth by the EPA.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry N. Johnson", with a large, stylized flourish extending to the right.

Jerry N. Johnson
General Manager

- c. Richard D. Langford, Chairman
Bruce C. Buckheit, Member
John N. Hanson, Member
Hullihen Williams Moore, Member
Vivian E. Thomson, Member
David Paylor, Director, Virginia Department of Environmental Quality
Robin Martin, Chairman and Members of the DC WASA Board of Directors